INFORMATION TECHNOLOGY & SERVICES

2014 COST OF TECHNOLOGY REPORT

WHY?

❖ Free Coffee and Donuts
   ❖*Sorry...*

❖ Your boss made you attend
   ❖*You have my sympathy*

❖ Or (I HOPE) you are truly interested in what technology is costing you and your department.
   ❖What are you paying for?
   ❖How are you paying for it?
   ❖Are there opportunities to better manage your technology costs?

WHAT IS TECHNOLOGY (IN OUR WORLD)?

- ❖ **Your Computer, Your Phone, Your Printer**
  - ❖ Hardware, Software, Support, Replacement
- ❖ **Internet**
  - ❖ City / County Websites, access to outside resources
- ❖ **Email**
- ❖ **Scanners, Fax Machines**
- ❖ **And…**
  - ❖ Wide Area Network for connecting everything (38 different sites, 53 buildings)
  - ❖ Central Systems to provide budget, purchasing and payroll
  - ❖ Training Services for common software products
  - ❖ Customer support to resolve problems

INFORMATION TECHNOLOGY & SERVICES

❖ **Who are we?**
  ❖ Staff of 16 full time employees, 1 college intern
  ❖ Seven functional areas
    ❖ Administration (3 FTE)
    ❖ Central Systems (2 FTE)
    ❖ Training Services (1 FTE)
    ❖ Geographic Information Services (2 FTE)
    ❖ Web Services (1 FTE)
    ❖ Network Services (3 FTE)
    ❖ Customer Support Services (4 FTE plus an intern)

FOLKS DEDICATED TO SERVING YOU!

HOW IS TECHNOLOGY FUNDED TODAY?

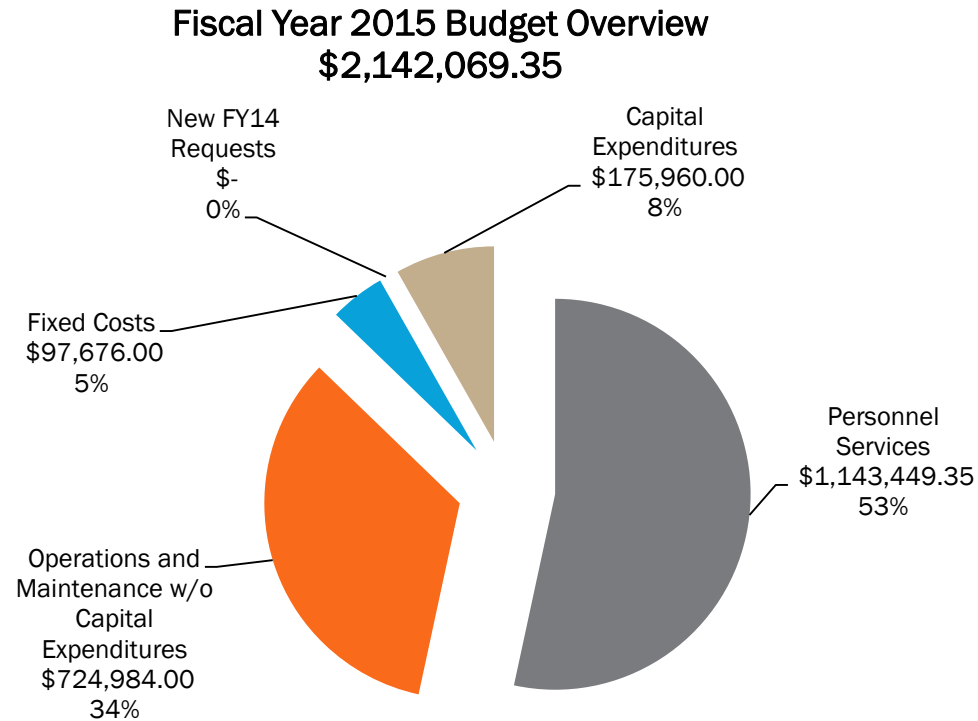Today technology costs are recovered using a three prong approach:

❖ Fixed Cost Component – This component funds those costs that are considered essential across the City and County. They are the costs that are incurred whether we have one computer or a hundred computers, whether we have five staff or several hundred staff. These costs are recovered using a per FTE approach.

❖ Variable Cost Component – This component funds those costs that you the customer have more direct control over. They are the costs incurred by choice. If you want a computer and software you pay for it. If you want to have internet access or email accounts for employees you pay for it. This component is more closely tied to a pay for service approach.

❖ Split Cost Component – This component funds those specialized service costs that are deemed to be essential for both the City and County. Their costs are divided between the City and County equally and the method for assigning those costs to individual departments within each of those organizations is left to them.

OK, SO WHAT ARE THE COSTS?
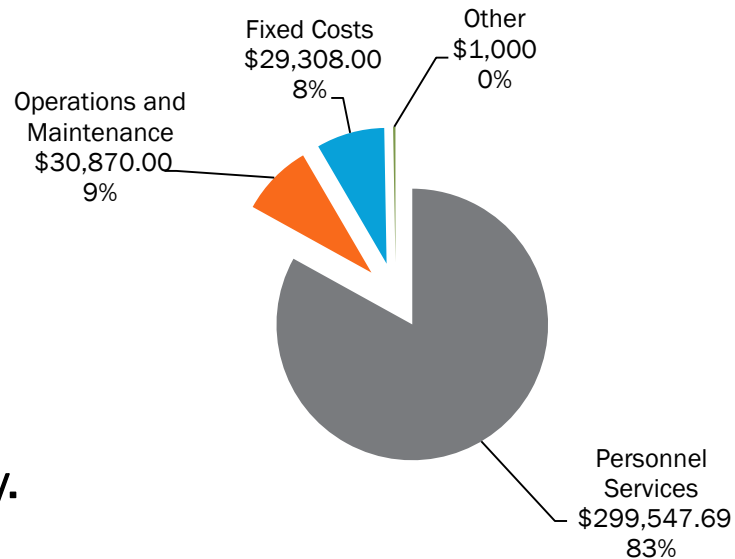
AND HOW ARE THEY RECOVERED?

❖ Administration - $360,725.69 (Fixed Cost Recovery)

❖ Central Systems - $299,358.71 (Fixed Cost Recovery)

❖ Training Services - $83,899.07 (Variable Cost Recovery)

❖ Geographic Information Services - $234,484.55 (Split Cost Recovery)

  ❖ Includes the City / County Addressing function

❖ Web Services - $91,683.19 (Fixed Cost Recovery)

❖ Network Services - $833,761.21 (Variable Cost Recovery)

  ❖ Includes telephone services

❖ Customer Support Services - $182,451.93 (Variable Cost Recovery)

50,000 FOOT VIEW OF TECHNOLOGY COSTS

Fiscal Year 2015 Budget Overview
$2,142,069.35

New FY14 Requests $- 0%

Capital Expenditures $175,960.00 8%

Fixed Costs $97,676.00 5%

Personnel Services $1,143,449.35 53%

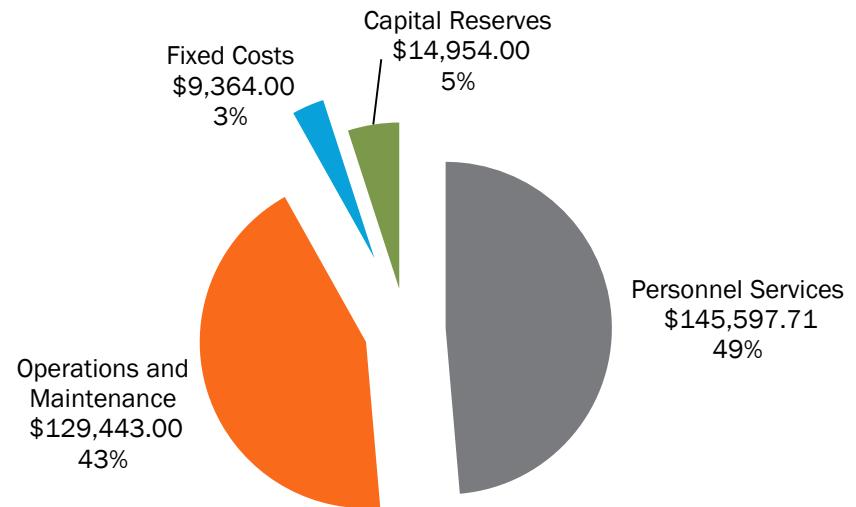Operations and Maintenance w/o Capital Expenditures $724,984.00 34%

IT&S ADMINISTRATION

- ❖ Bernie Miles, Chris Sinrud and myself

- ❖ Oversight, project management, staff management, strategic planning, purchasing and inventory.

Fixed Costs
$29,308.00
8%

Other
$1,000
0%

Operations and
Maintenance
$30,870.00
9%

Personnel
Services
$299,547.69
83%

Cost Per FTE is $545.73 annually.

IT&S CENTRAL SYSTEMS
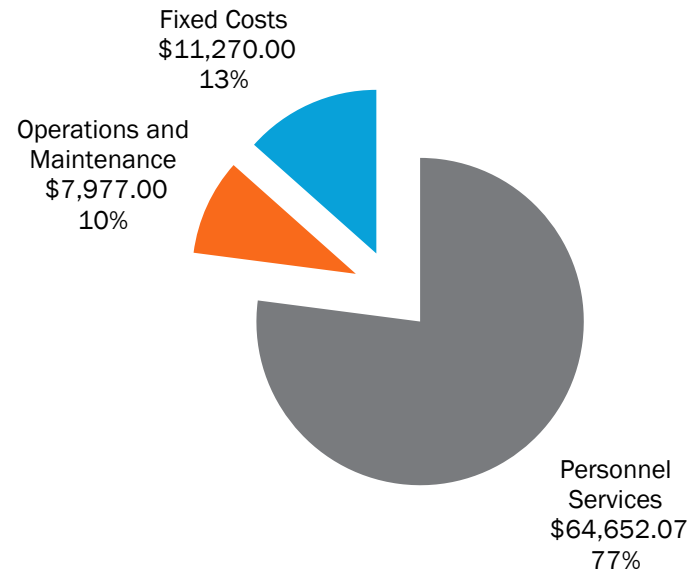
❖ Dave Hughes and Wendell Holmes

❖ Central systems technical support and licensing, enterprise database support and licensing.

Fixed Costs
$9,364.00
3%

Capital Reserves
$14,954.00
5%

Personnel Services
$145,597.71
49%

Operations and
Maintenance
$129,443.00
43%

Cost Per FTE is $452.89 annually.

IT&S TRAINING SERVICES
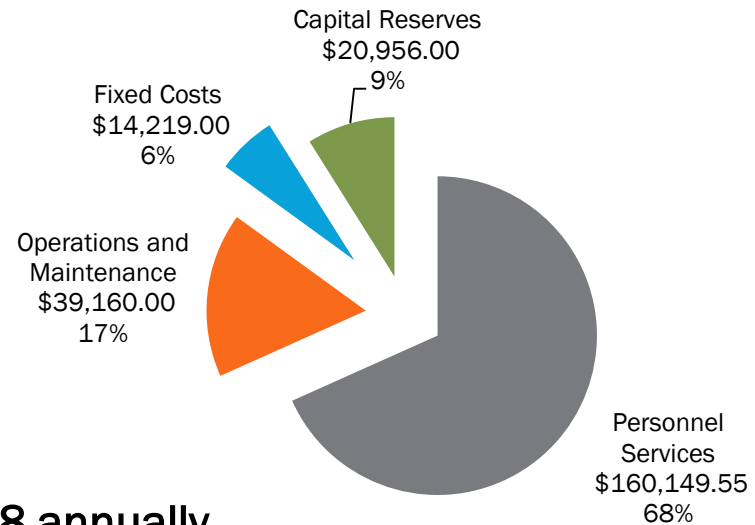
❖ Ellen Bell

❖ Enterprise training services for common products (MS Office, FILR). Also provides HelpDesk support.

Fixed Costs
$11,270.00
13%

Operations and
Maintenance
$7,977.00
10%

Personnel
Services
$64,652.07
77%

Cost Per PC is $196.03 annually.

IT&S GIS SERVICES

❖ Eric Spangenberg, Jason Danielson

❖ All GIS mapping support, Web based mapping and Addressing Services.

Capital Reserves
$20,956.00
9%

Fixed Costs
$14,219.00
6%

Operations and
Maintenance
$39,160.00
17%

Personnel
Services
$160,149.55
68%

Cost Per Entity (City/County) is $ $117,242.28 annually.

IT&S WEB SERVICES

❖ David Anson

❖ City and County Website development and support.
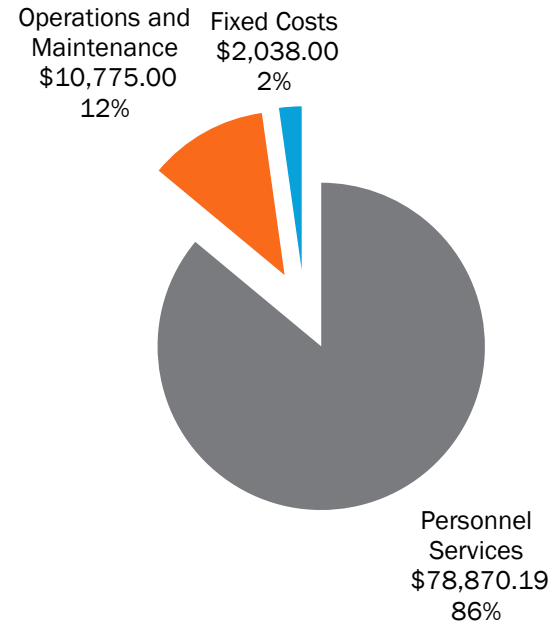
Cost Per FTE is $138.70 annually.

Operations and Maintenance $10,775.00 12%
Fixed Costs $2,038.00 2%
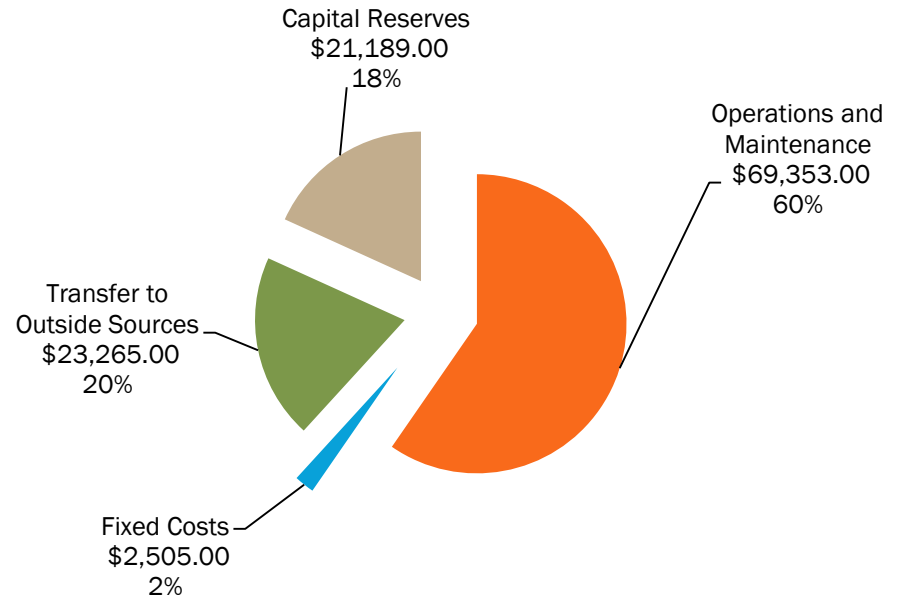Personnel Services $78,870.19 86%

IT&S NETWORK SERVICES

❖ Mike Glass, Tony Manicke and Sam Samuelson

❖ Network support (local and wide area), server support (Novell and Microsoft, wireless network support, telephone system support.
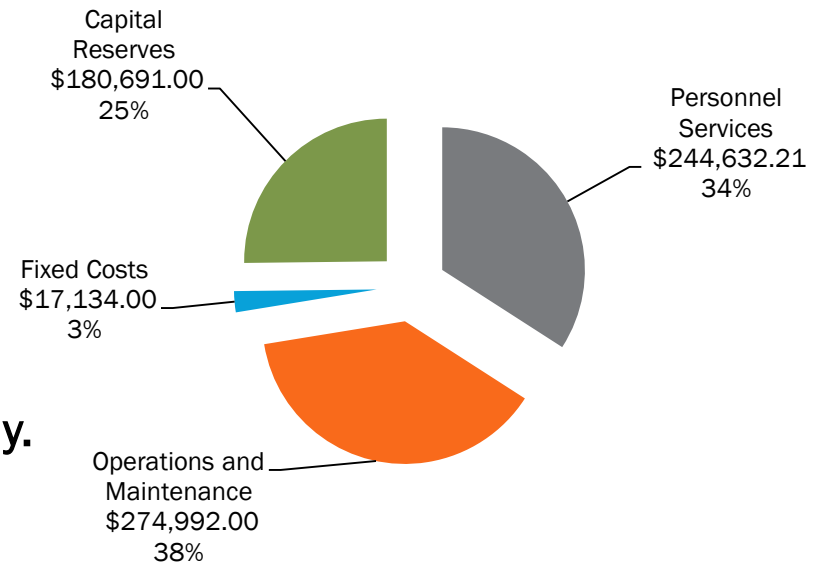
Cost Per FTE is $41.33 annually.
Cost Per PC is $396.59 annually.
Cost Per Network Connection is $853.00 annually.
Cost Per Phone is $191.36 annually.

Capital Reserves $180,691.00 25%

Personnel Services $244,632.21 34%

Fixed Costs $17,134.00 3%
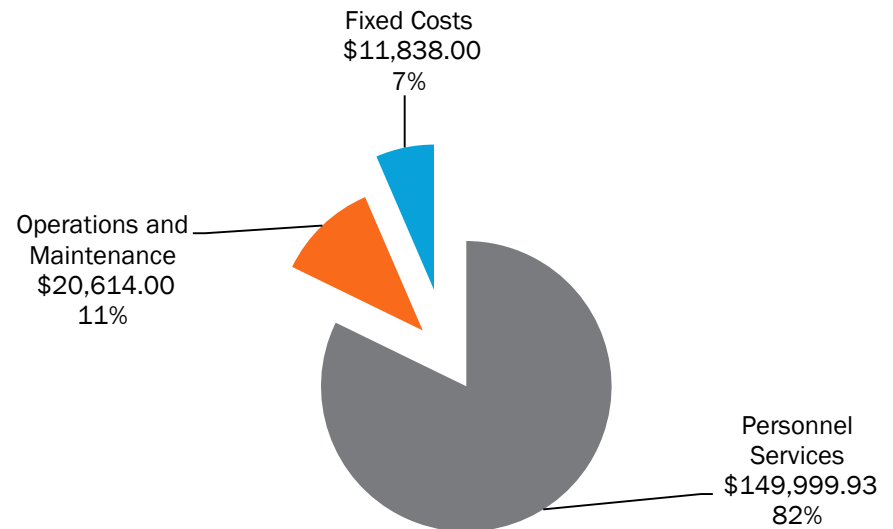
Operations and Maintenance $274,992.00 38%

IT&S TELECOM

❖ No direct personnel associated with the program.

❖ Direct telephone infrastructure, central telephone equipment, long distance, directory services.

Capital Reserves
$21,189.00
18%

Operations and
Maintenance
$69,353.00
60%

Transfer to
Outside Sources
$23,265.00
20%

Fixed Costs
$2,505.00
2%

Cost Per Phone is $206.96 annually.

IT&S CUSTOMER SUPPORT SERVICES

❖ Eric Wandel, Ken Bagg, John Ekelman and Gina White. John's position is entirely funded by the CHC.

❖ Customer support, PC and printer installs, software installations, problem diagnosis...Pretty much our jacks of all trades!

Cost Per PC is $426.29 annually.

Fixed Costs
$11,838.00
7%

Operations and
Maintenance
$20,614.00
11%

Personnel
Services
$149,999.93
82%

SO HOW DOES THIS ALL COME TOGETHER?

❖ How does it impact your budget?

❖ Per FTE combined charge of $1,137.32
❖ Per Networked Computer combined charge of $1,871.90
❖ Per Phone combined charge of $398.32
❖ Split Services (GIS and Addressing) charge to City and County of $117,242.28

It is important to note the actual annual charges are usually lower due to adjustments made throughout the budget process based on other income sources, year end savings and pass through costs.
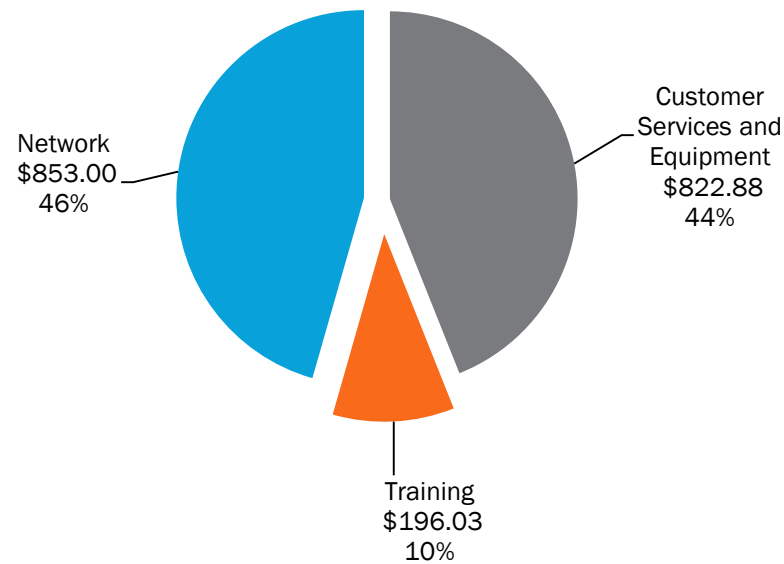
WHAT IS IN THE FTE RATE

Breakdown of FY15 FTE Rate
$1137.32

Web Services
$138.70
12%

Department
Administration
$545.73
48%

Central
Systems
$452.89
40%
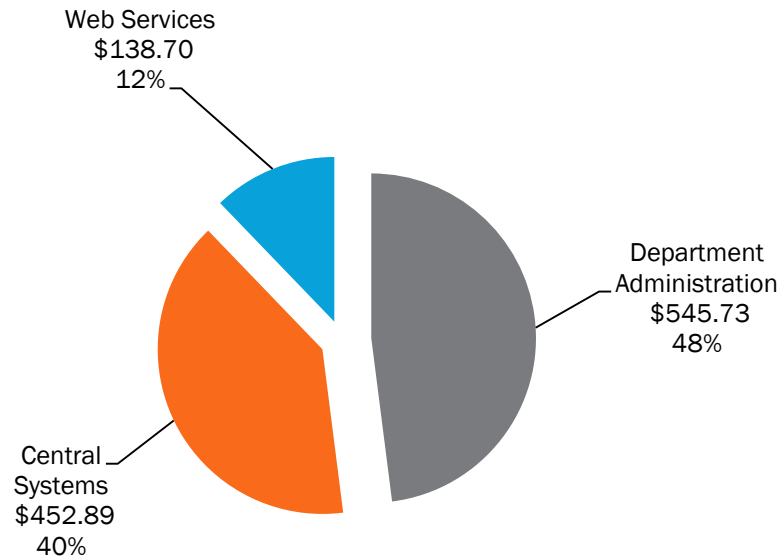
THE REAL COST OF YOUR NETWORKED PC

Breakdown of FY15 PC Rate
$1871.90

Network
$853.00
46%

Customer
Services and
Equipment
$822.88
44%

Training
$196.03
10%

THE REAL COST OF YOUR PHONE

Breakdown of FY15 Phone Rate
$398.32

Network Services
$191.36
48%

Telephone
Operations
$206.96
52%

WHAT IS IN THAT NETWORK RATE

Breakdown of FY15 Network Rate
$853.00

Central Equipment $199.63 24%

Admin/Personnel $395.08 46%

Customer Equipment $85.42 10%

Infrastructure $172.87 20%
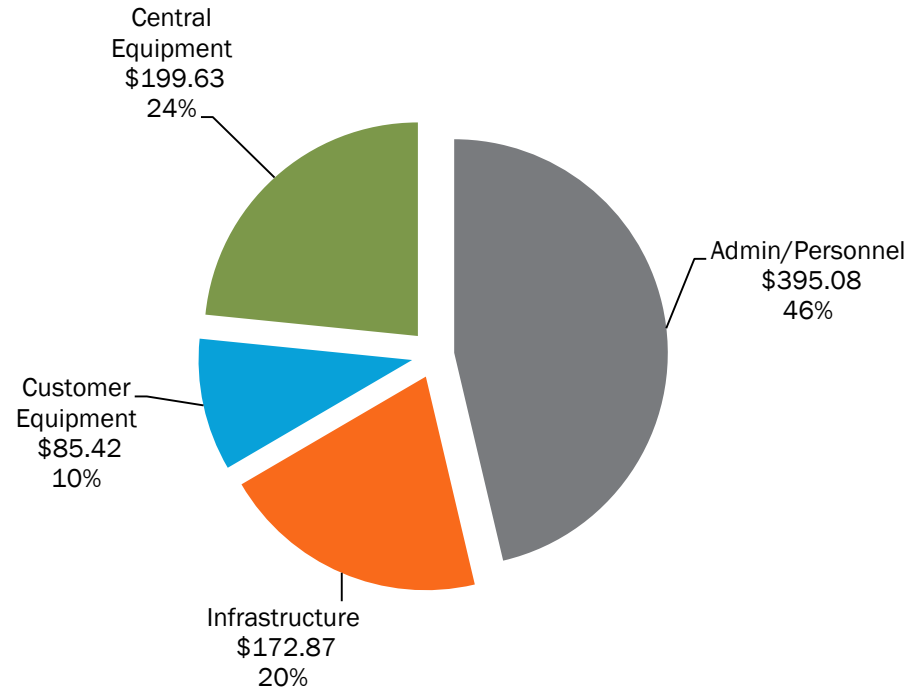
WHAT'S NEXT?

❖ IT Steering Committee has appointed a group to look at our cost recovery model and make recommendations for improvements. The goal is to have those recommendations to the Committee and IT Board by the fall of 2014.

❖ Are the services being provided still needed? Are they still relevant? Should IT&S be providing them or outsourcing them?

❖ Are there services that need to be provided that are missing?
- ❖ Mobile device support, enterprise content management
- ❖ Data management services and costs

❖ Are there more equitable ways to fund technology?

OK, NOW IT'S YOUR TURN!

Did this help?

Questions?